

## Message Text

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PAGE 01 BONN 05157 01 OF 02 231750Z

ACTION EB-08

INFO OCT-01 EUR-12 EA-07 ISO-00 SP-02 USIA-06 AID-05

NSC-05 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 L-03

H-01 PA-01 PRS-01 FRB-03 CIAE-00 COME-00 INR-07

NSAE-00 XMB-02 OPIC-03 LAB-04 SIL-01 FEAE-00

EPA-01 CEQ-01 INT-05 OES-06 /106 W

-----231847Z 059338 /53

R 231741Z MAR 77

FM AMEMBASSY BONN

TO SECSTATE WASHDC 6761

INFO AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USMISSION OECD PARIS

USMISSION USBERLIN

USMISSION NATO BRUSSELS

USNMR SHAPE

AMCONSUL FRANKFURT

AMCONSUL MUNICH

AMCONSUL BREMEN

AMCONSUL DUSSELDORF

AMCONSUL HAMBURG

AMCONSUL STUTTGART

CINC USAFE RAMSTEIN

CINC USAREUR HEIDELBERG

CINC EUR VAIHINGEN

LIMITED OFFICIAL USE SECTION 01 OF 02 BONN 05157

DEPARTMENT PASS TREASURY, FRB AND CEA

E.O. 11652: N/A

TAGS: ECON, EFIN, GW

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PAGE 02 BONN 05157 01 OF 02 231750Z

SUBJECT: MULTI-YEAR INVESTMENT PROGRAM APPROVED BY  
CABINET

REF: BONN 04805

1. THE FRG CABINET AT ITS MARCH 23 MEETING APPROVED  
THE MULTI-YEAR DM 16 BILLION INVESTMENT PROGRAM OF WHICH

MUCH HAS BEEN HEARD IN RECENT MONTHS IN CONNECTION WITH THE CALL FOR MORE GERMAN ECONOMIC STIMULATION. THE OUTLINES OF THE PROGRAM ARE ABOUT THE SAME AS THOSE REPORTED REFTEL, I.E., THE FEDERAL, STATE AND LOCAL LEVELS OF GOVERNMENT WILL PARTICIPATE WITH SHARES OF DM 8.2 BILLION, DM 3.4 BILLION AND DM 2.1 BILLION, RESPECTIVELY. ANOTHER DM 2.2 BILLION IS SCHEDULED TO COME FROM OTHER SOURCES WHICH WERE NOT SPELLED OUT, BUT ON THE BASIS OF EARLIER INFORMATION, ARE UNDERSTOOD TO BE THE PUBLIC UTILITIES. THE FUNCTIONAL BREAKOUT OF THE TOTAL DM 13.7 BILLION COMING FROM THE FEDERAL, STATE AND LOCAL GOVERNMENTS IS AS FOLLOWS:

(A) IMPROVEMENT OF THE ROAD AND STREET SYSTEM, DM 3.7 BILLION;

(B) ENVIRONMENTALLY ORIENTED ENERGY TECHNOLOGY PROJECTS, DM 1.3 BILLION;

(C) WATER PURIFICATION, RIVER CLEANUP AND RELATED PROJECTS, DM 4.1 BILLION;

(D) IMPROVEMENT OF THE ENVIRONMENTAL LIVING CONDITIONS, DM 4.0 BILLION;

(E) VOCATIONAL TRAINING, DM 0.6 BILLION.

2. IT IS ANTICIPATED NOW THAT ORDERS IN THE ROUGH MAGNITUDE OF DM 3.5 BILLION WILL BE PLACED IN THE LIMITED OFFICIAL USE

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PAGE 03 BONN 05157 01 OF 02 231750Z

COURSE OF 1977, WHILE THE FIGURE OF DM 5 BILLION IS THE

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PAGE 01 BONN 05157 02 OF 02 231806Z

ACTION EB-08

INFO OCT-01 EUR-12 EA-07 ISO-00 SP-02 USIA-06 AID-05  
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NSAE-00 XMB-02 OPIC-03 LAB-04 SIL-01 FEAE-00  
EPA-01 CEQ-01 INT-05 OES-06 /106 W

-----231846Z 059666 /53

R 231741Z MAR 77

FM AMEMBASSY BONN  
TO SECSTATE WASHDC 6762  
INFO AMEMBASSY LONDON  
AMEMBASSY PARIS  
AMEMBASSY ROME  
AMEMBASSY TOKYO  
USMISSION EC BRUSSELS  
USMISSION OECD PARIS  
USMISSION USBERLIN  
USMISSION NATO BRUSSELS  
USNMR SHAPE  
AMCONSUL FRANKFURT  
AMCONSUL MUNICH  
AMCONSUL BREMEN  
AMCONSUL DUSSELDORF  
AMCONSUL HAMBURG  
AMCONSUL STUTTGART  
CINC USAFE RAMSTEIN  
CINC USAREUR HEIDELBERG  
CINC EUR VAIHINGEN

LIMITED OFFICIAL USE SECTION 02 OF 02 BONN 05157

ORDER VOLUME FORESEEN FOR 1978. ALTHOUGH A FOUR YEAR  
PERIOD FOR THE PROGRAM HAD BEEN MENTIONED ON PREVIOUS  
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PAGE 02 BONN 05157 02 OF 02 231806Z

OCCASIONS, NO TIME FRAME WAS SPECIFICALLY LAID OUT IN  
THE MATERIALS MADE AVAILABLE TODAY BY THE GOVERNMENT  
IN CONNECTION WITH THE CABINET MEETING. IT IS SIMPLY  
REFERRED TO AS A "MULTI-YEAR PUBLIC INVESTMENT PROGRAM  
FOR GROWTH AND ENVIRONMENT." THE ALTERNATIVE TITLE  
UTILIZED IS "PROGRAM FOR FUTURE INVESTMENT."  
REFERENCE TO IT AS AN ECONOMIC STIMULATION MEASURE IS  
STRENUOUSLY ESCHEWED.

3. THE GOVERNMENT ANTICIPATES MENDING THE CURRENT  
FEDERAL BUDGET (IT IS STILL IN COMMITTEE) TO PROVIDE  
FOR THOSE ASPECTS OF THE PROGRAM THAT WILL REQUIRE  
BUDGETARY AUTHORIZATION THIS YEAR. THERE REMAIN, OF  
COURSE, SEVERAL LEGISLATIVE OBSTACLES BEFORE THE  
INVESTMENT PROGRAM CAN BE CONSIDERED TO BE FIRMLY IN

PLACE, THE CABINET APPROVAL OF TODAY BEIBEING ONLY  
THE FIRST FORMAL STEP IN THE PROCESS.

4. BEFORE CERTAIN PORTIONS OF THE PROGRAM CAN BE  
IMPLEMENTED, OF COURSE, THE STATES MUST ALSO GIVE THEIR  
APPROVAL, AND TWO STATES, BAVARIA AND BADEN WURTEMBERG,  
HAVE ALREADY INDICATED THAT THEY WILL WITHHOLD SUCH  
APPROVAL. IN THE CASE OF BAVARIA, THE STATE OFFICIALS  
ARE INSISTING THAT THEIR SHARE OF THE PROGRAM SHOULD  
BE KEYED TO THE 17.6 PERCENT PROPORTION OF THE  
NATIONAL POPULATION LIVING IN THEIR STATE. WHILE  
LAMENTING THIS ATTITUDE, FINANCE MINISTER APEL AND  
ECONOMICS MINISTER FRIDERICHs HAVE INDICATED THAT THEY  
WILL ATTEMPT TO COMPENSATE ACCORDINGLY OUTSIDE THE  
PROGRAM. ACCORDING TO PRESS REPORTS, BADEN WURTEMBERG  
MINISTER PRESIDENT FILBINGER (CDU) ALSO ISSUED A  
DISSENTING VIEW, CLAIMING THAT HIS STATE DESERVED AT  
LEAST DM 7 MILLION MORE-(NOT REALLY VERY MUCH) WHICH,  
EVEN IF RECEIVED, WOULD NOT GUARANTEE HIS APPROVAL.  
STOESSEL

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## Message Attributes

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**Channel Indicators:** n/a  
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**Disposition Approved on Date:**  
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**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
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**Disposition Remarks:**  
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**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Litigation Codes:**  
**Litigation History:**  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Review Release Date:** n/a  
**Review Release Event:** n/a  
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**Review Withdrawn Fields:** n/a  
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**TAGS:** ECON, EFIN, GE  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
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